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Regulators Pause Mental Health Parity Rules Enforcement

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By Timothy J. Stanton and Kristine M. Bingman

Federal regulators recently indicated they will not enforce parts of the final regulations issued in September 2024 under the Mental Health Parity and Addiction Equity Act (MHPAEA) and may soon propose new rules altogether.

Quick Hits

- A federal judge recently paused litigation over the 2024 mental health parity regulations focused on nonquantified treatment limitations.
- The Trump administration is considering rescinding or adjusting the rules.
- The federal agencies will not enforce the 2024 rules in the short term.

On May 12, 2025, the U.S. District Court for the District of Columbia agreed to stay a lawsuit brought by the ERISA Industry Committee to block the 2024 rules related to nonquantitative treatment limitations (NQTLs).

The U.S. Departments of Health and Human Services, Labor, and Treasury requested a stay in the case, telling the court that they are considering rescinding or modifying the 2024 rules. They issued a nonenforcement policy on the portions of those regulations that took effect January 1, 2025, or would take effect January 1, 2026.

The agencies also directed health plans to continue to rely on the 2013 MHPAEA regulations and prior subregulatory guidance.

Background on the Case

Under the federal Mental Health Parity and Addiction Equity Act (MHPAEA), if a health plan offers mental health and substance use disorder benefits alongside medical and surgical benefits, it must provide the mental health and substance use disorder benefits in a manner that is no more restrictive than the medical and surgical benefits.

On September 23, 2024, the federal government issued final rules requiring health plans to provide "meaningful benefits" for mental health or substance use disorders in coverage categories where medical or surgical benefits are also provided. Meaningful benefits cover core treatments, defined as standard treatments or interventions indicated by "generally recognized independent standards of current medical practice." These regulations require that a plan fiduciary certify that it undertook a prudent process to select a qualified service provider to perform the comparative analysis.

On January 17, 2025, the ERISA Industry Committee sued the three federal agencies to block the 2024 regulations.

Next Steps

Employers may wish to review their mental health and substance use disorder coverage in order to ensure compliance with the MHPAEA. While parts of the 2024 mental health parity rules will not be enforced for now, employers may wish to anticipate that the agencies could propose changes to the 2024 rules or propose new rules in the future.

Importantly, the requirement to perform and document a comparative analysis of a plan's NQTLs still exists.

Ogletree Deakins' Employee Benefits and Executive Compensation Practice Group will continue to monitor developments and will provide updates on the Employee Benefits and Executive Compensation blog as new information becomes available.

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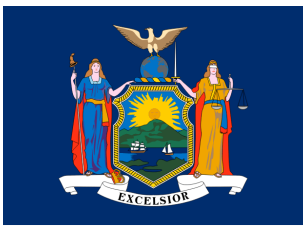

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